

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF IOWA**

In re:)	Chapter 11
)	
QHC FACILITIES, LLC, et al.,¹)	Case No. 21-01643-als11
)	Jointly Administered
Debtors.)	

**STIPULATED MOTION TO CONVERT THE JANUARY 26, 2022, HEARING TO A STATUS
CONFERENCE AND TO CONTINUE EVIDENTIARY HEARING**

The Acting U.S. Trustee for Region 12 (“UST”), through the undersigned Trial Attorney, hereby requests this Court convert the hearing on the UST’s Motion to Appoint a Chapter 11 Trustee (“Motion”), and the objections thereto, to a Status Conference on January 26, 2022, and to continue the evidentiary hearing on the UST’s Motion to a date to be determined.

A preliminary hearing on the UST’s Motion was held on January 13, 2022. The directive of the Court, and understanding of the parties, was that the health and safety of Debtors’ residents/patients shall take precedence above all else in these cases. Following the preliminary hearing, the UST, Debtors, PCO Goodman, Lincoln Savings Bank, Unsecured Creditors Committed, and representatives of federal and state regulatory authorities, engaged in regular and lengthy discussion to address those concerns.

While those discussions are ongoing, there seems to be a consensus that a successful sale of Debtors’ operation would be the best outcome, and would be in the best interests, of all parties. In furtherance of that goal, Debtors look to file sale pleadings by weeks end. To further assist the Court,

¹ The Jointly Administered Debtors in this proceeding are *In re QHC Management, LLC* (Case No. 21-01644-als11); *In re QHC Mitchellville, LLC* (Case No. 21-01645-als11); *In re QHC Winterset North, LLC* (Case No. 21-01646-als11); *In re QHC Madison Square, LLC* (Case No. 21-01647-als11); *In re QHC Fort Dodge Villa, LLC* (Case NO. 21-01648-als11); *In re QHC Crestridge, LLC* (Case No. 21-01649-als11); *In re QHC Crestview Acres, Inc.* (Case No. 21-01650-als11); *In re QHC Humboldt North, LLC* (Case No. 21-01651-als11); *In re QHC Humboldt South, LLC* (Case No. 21-01652-als11); *In re QHC Villa Cottages, LLC* (Case No. 21-01653-als11).

Debtors have filed a Declaration by Lanett Powers, Consultant for QHC. PCO Goodman will file a preliminary, summary report of her site visits and initial observations prior to Wednesday's hearing. Counsel for the various parties will also be prepared to brief the Court on the status of Debtors' operation, existing concerns, and future outlook.

Additional time is needed to gather information regarding facility and patient care compliance, particularly with respect to the regulatory agencies. A continuance of the UST's Motion for a period of two weeks will allow interested parties to evaluate Debtors' sale prospects and to determine whether regulatory compliance concerns may be resolved, and therein resolve the UST's Motion. Counsel for Debtors, the Unsecured Creditor's Committee, Lincoln Savings Bank, Gibbins Advisors, and federal and state regulatory authorities (including the Department of Health and Human Services, Centers for Medicare and Medicaid, and Iowa Department of Inspection and Appeals), consent to the relief sought herein.

WHEREFORE, the Acting United States Trustee requests this Court convert the January 26, 2022, hearing on the UST's Motion to Appoint Trustee to a Status Conference, to continue the evidentiary hearing to a date to be determined, and for other relief the Court deems just.

Dated: January 25, 2022

James L. Snyder
Acting United States Trustee
Region 12

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was served electronically on parties who receive electronic notice through CM/ECF as listed on CM/ECF's notice of electronic filing dated January 25, 2022.

Parties receiving hand or mailed service:

By: /s/Shelly W. Fellner
Shelly W. Fellner
Legal Clerk
United States Trustee's Office